ABSTRACT

A financing method incorporating a new use of at least one negotiable instrument which is utilized by a buyer (B), a seller (S), and a financial institution (FI), said method comprising the steps of the financial institution concluding an agreement defining the rights and obligations between each set party when the buyer agrees to at least utilize a negotiable instrument recognizable by the financial institution; the buyer and a supplier concluding a transaction where by the supplier supplies goods or services to the buyer for an invoiced amount; the buyer tendering to the supplier a postdated negotiable instrument in the amount of the invoiced value; the supplier presenting the financial institution with the postdated negotiable instrument; the financial institution immediately remitting to the supplier the tendered amount of the negotiable instrument minus a predetermined percentage; the financial institution depositing the negotiable instrument on the due date there for collection in the normal banking system in the same manner as any cheque drawn the buyer's account.